

## **INITIAL STATEMENT OF REASONS**

### **SECTION 506. “DEFINITIONS”**

#### **SPECIFIC PURPOSE OF THE REGULATION**

The proposed regulation is to define the cost of medical care in excess of the member fee of residents at all California Veterans Homes, pursuant to Military and Veterans Code, Division 5, Chapter 1, Section 1035.6 (b).

#### **NECESSITY**

It is necessary to define the cost of medical care in excess of the member fee in order to determine the net excess using the calculation formula in proposed regulation Title 12, CCR, Section 507.

#### **TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS OR DOCUMENTS.**

Adding the definition of the cost of medical care in excess of the member fee will not require the Department to conduct any technical, theoretical, or empirical studies related to this proposed regulation. The sole purpose of the proposed regulation is to define the cost of medical care in excess of the member fee in order to calculate the net excess.

#### **REASONABLE ALTERNATIVES TO THE REGULATION AND THE AGENCY’S REASONS FOR REJECTING THOSE ALTERNATIVES.**

No other alternatives were presented or considered. The sole purpose of the regulation is to define the cost of medical care in excess of the member fee in order to calculate the net excess.

#### **REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESS.**

There will be no adverse impact on small business because the sole purpose of the proposed regulation is to define the cost of medical care in excess of the member fee.